

Montana Federation of Public Employees

**Havre Police Unit**

**March 22nd, 2021**

**Last, Best and Final**

## **1. ARTICLE 8 - WAGES**

### **A. Wages and Other Compensation:**

1. Wages: The wage schedule is set out and attached to the contract as Appendix A, which shall form part of, and be subject to all provisions of this contract for all employees. It includes a 2% base pay increase, which is effective on July 1, 2020 and a 4% base pay increase July 1, 2021.

## **2. ARTICLE 13 - EMPLOYEE FRINGE BENEFITS**

~~A. Medical Insurance: The City will contribute that amount toward each participating employee's monthly medical premium as it contributes for the majority of other City employees. The City will cover the increase in insurance premiums for July 1, 2018 through June 30, 2020. In addition, the City will pay employee's dental insurance premiums.~~

For employees hired before July 1, 2017 who elect insurance coverage for the employee and spouse, the employee and child(ren) or the employee and family, the City will contribute towards insurance premiums, the same amount as it was obligated to pay in FY 2020. For all other employees, the City will cover the entire cost of the insurance premium for employee only coverage and if the employee elects insurance coverage for the employee and spouse, the employee and child(ren) or the employee and family, the employee shall pay the premium cost over and above the amount of the premium for the employee only.

The city shall pay the cost of dental insurance for the employee only.

### Cost Summary

**Wages:** The current cost of wages for those within the bargaining unit is approximately \$606,589.20. The collective bargaining agreement also calls for additional compensation that is calculated using the base wage that currently costs approximately \$5,023.08 for a total of **\$611,612.28**.

As proposed for FY2020-2021 includes a 2% increase to base pay adding approximately \$12,131.78 to the base cost and \$100.44 in the additional compensation for a total of **\$12,232.22**.

As proposed for FY2021-2022 the collective bargaining agreement provides step increases for completed years of service and that movement has been calculated into this approximate cost. The proposal includes a 4% increase to base pay adding approximately \$27,431.38 to the base cost and \$220.92 in the additional compensation for a total of **\$27,454.30**.

Total cost of wage proposal: Approximately **\$39,686.52**

#### **Insurance:**

The City of Havre has approximately 10 Employees hired before July 1, 2017 within the bargaining unit. For insurance purposes approximately only 5 employees currently participate and receive the benefit as it is calculated today. These Employees utilize different options available within the four plans offered by the City and each has a different cost.

Utilizing the most expensive plan available to the employees the total monthly premium cost is \$2291.00 the grandfathered employees hired before July 1, 2017 would contribute \$264.75 of that cost leaving the City with the remainder of \$2,026.25. The City budgets and currently spends \$1,777.00 towards the benefit. Taking \$1,777.00 from \$2,026.25 leaves \$249.25 remaining from the cost.

If each of the 10 employees eligible were to participate in the benefit using the most expensive option available, the cost would be  $\$249.25 \times 10 = \$ 2492.50$  a month or  $2492.50 \times 12 = \mathbf{\$29,910}$  a year.